



DEI Initiatives in Accounting Firms

Progress, Pushback and Perspectives

BY: CHRIS CAMARA

When the Supreme Court struck down race-conscious college admissions last year, criticism of diversity, equity and inclusion programs cranked up and hundreds of companies began re-examining their DEI initiatives.

Four years after companies enthusiastically embraced DEI following George Floyd's murder in Minneapolis, some companies are taking their foot off the gas or approaching DEI "in a less in-your-face way," as Harvard DEI expert **Frank Dobbin** put it to *The New York Times*, which reported that more than 20 states last year

considered or approved new laws targeting DEI, also known as DEIB (belonging).

"People who aren't fully committed to it see that as an opportunity to say, 'You know what? I'm not going to put the firm in any sort of danger by continuing down this road,'" said DEI consultant and marketing expert **Bonnie Buol Ruszczyk** of **BBR Companies**.

Ruszczyk, who is speaking on "Navigating DEI Skepticism in Accounting," at the annual AAM Summit May 13-15 in

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SARAH ELLIOTT
INTEND2LEAD

Orlando, Fla., asserts that now is the time for firms to recommit to their DEI initiatives and that the Supreme Court ruling is unrelated to private businesses.

The Supreme Court decision was focused on Title VI of the Civil Rights Act of 1964, which covers institutions that receive federal funding. Employers fall under Title VII, which deals with employment relationships and is enforced by the Equal Employment Opportunity Commission.

Despite pushback in the larger business community and the anti-DEI actions taken in some quarters, *The New York Times* reports that few companies have cut back their programs because of the Supreme Court’s ruling. Three-quarters of employers polled by employment law firm Littler Mendelson reported that they had not changed their approach to DEI because of the ruling; only 1% reported a significant decrease in their efforts, according to a survey released in January.

Ruszczky observes that accounting firms are at various stages. “I am seeing some that are doubling down and I’m seeing some that are pulling back and everything in between.” Some firms have made great progress; others formed a committee, put out a statement and got stuck.

DEI CHALLENGES

Sarah Elliott, a CPA and co-founder of leadership coaching firm **Intend2Lead**, holds **open forums** on DEIB issues once or twice a year where various leaders across the country share their insights. She observed that firms took on DEI initiatives, or reactivated them, with intensity in 2020 and 2021. “What we’ve seen since is not that firms are necessarily falling off and not doing it, but it’s calmed down into more of a sustainable phase.”

Progress is slow and the work isn’t easy. Challenges include scarce time and resources, competing priorities or a lack of leadership buy-in.

“They need to be passionate to drive it forward, but not everyone at the partnership level is all in, and so those ones who aren’t in can create a lot of noise and resistance and slow things down.”



Sarah Elliott

Ruszczky noted that firm leaders have challenged her after presentations, asking if she is suggesting they hire a Black candidate rather than a talented white person. “The whole idea of increasing diversity is not to push anybody out of the pool. It’s to get more people in the pool, so why we wouldn’t be supporting these efforts when we’re trying to find, recruit and retain more people in the profession? To me it’s somewhat counterintuitive and ridiculous.”

Another hindrance to DEI efforts is the fear of doing something wrong, Elliott says. "We have some perfectionists in this space, and it can make us very good at our work, but when it comes to DEIB, there is no way to get it right. We inevitably make mistakes, because that's how we're learning, but that fear of getting it wrong, especially in this hyper-political environment, can paralyze things and slow down the change."

FEELING STUCK? SOME ADVICE

Ruszczyk says an abundance of research shows that more diverse teams make smarter decisions, make better investments and are more adaptable and innovative. A more well-rounded team is also more appealing to clients and employees. The entrepreneurial Generation Z will not work with people who don't share their ideals. "And if they are promised shared values and they don't see it, they will leave a job in a New York minute." Ruszczyk pointed to a Glassdoor survey that said 67% of job seekers view diversity as an important factor when considering a prospective employer.

She advocates for widening the lens to consider not only race, ethnicity and gender but neurodiverse individuals, veterans, older professionals and more. "I think we a lot of times are looking at this through a peephole when

we should have the whole door open."

To those firms that are pulling back on their initial commitments she suggests leaders think about why the programs were started and the goals they set at that time. Those reasons haven't gone away. Celebrate progress. Some firms are reaching out to HBCUs for recruitment and are making other strides forward. Initiate difficult conversations with partners if you're getting pushback.

Don't let the issue become politicized, Ruszczyk added. "This is not politics. This is people, and we're all people. And if we relate to others on that level as opposed to seeing the differences in us, we can get a lot further in these conversations."

Elliott agreed. "I know it's been politicized, but this is just about good business sense. It's about humanity. It's good leadership. Period." ■



Bonnie Buol Ruszczyk



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